

Court File No.:

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
(COMMERCIAL LIST)

IN THE MATTER OF THE *COMPANIES' CREDITORS*  
*ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE  
OR ARRANGEMENT OF NELSON EDUCATION LTD.  
AND NELSON EDUCATION HOLDINGS LTD.

Applicants

**NOTICE OF OBJECTION AND REQUEST FOR ADJOURNMENT**

1. All capitalized terms used herein and not defined are as defined in the Affidavit of Greg Nordal sworn on May 11, 2015 (the "**Nordal Affidavit**") filed in support of the Applicants' application herein pursuant to the CCAA.
2. Royal Bank of Canada is:
  - (a) a First Lien Lender holding approximately 12% of the principal amounts outstanding under the First Lien Credit Agreement and is the only First Lien Lender that is not a Consenting First Lien Lender;
  - (b) the Second Lien Agent;
  - (c) a Second Lien Lender holding the largest share of the principal amounts outstanding under the Second Lien Credit Agreement; and
  - (d) the financial institution providing the Cash Management System to the Applicants;

(collectively in such capacities, “RBC”).

3. RBC was served with the Applicants’ Application Record at 8:10 pm on May 11, 2015 and, as a result, has not had an opportunity to consider the Applicants’ Application Record, or to obtain instructions from the Second Lien Lenders in RBC’s capacity as Second Lien Agent. Similarly, RBC received the proposed Monitor’s Pre-Filing Report at 8:55 pm on May 11, 2015.
4. There is no urgency in this matter necessitating the relief sought by the Applicants, effectively on an *ex parte* basis. In order to address any concerns with respect to actions that may be taken by third parties upon the Application Record having been served, RBC is prepared to consent to an Order granting the Applicants an interim stay of proceedings until a scheduled return date for the hearing of the Initial Application, with proper notice to interested parties and with the benefit of a complete record including, without limitation, the delivery of responding materials. Attached as Schedule “A” is a copy of an email and draft Order sent to counsel for the Applicants on May 11, 2015.
5. RBC seeks an adjournment of this Application in order to review and consider its position regarding, among other things:
  - (a) the appropriateness of the CCAA for the sole purpose of effecting the proposed Transaction,
  - (b) the appropriateness of A&M being appointed Monitor in the circumstances of this case; and
  - (c) the provisions of the requested Initial Order, including but not limited to the following:

- (i) priority and scope of the various charges sought;
- (ii) payments to be made during the proposed proceeding, including but not limited to proposed discretionary payments to be made to any Person with the consent of the Majority Initial Consenting First Lien Lenders;
- (iii) protections to be provided to RBC in respect of the continuation of the Cash Management System;
- (iv) request for a Sealing Order in respect of the Stockholders and Registration Rights Agreement; and
- (v) the appropriateness of making the provisions of the Initial Order subject to the Supplemental Support Agreement, which document has not been included in their Application Record.

May 12, 2015



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**D.J. Miller**

**Thornton Grout Finnigan LLP**  
Barristers and Solicitors  
100 Wellington Street West  
Suite 3200  
Toronto, Ontario  
M5K 1K7

**D.J. Miller** ( LSUC# 34393P)  
[djmiller@tgf.ca](mailto:djmiller@tgf.ca)  
Tel: 416-304-0559  
Fax: 416-304-1313

Lawyers for RBC

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AND NELSON EDUCATION HOLDINGS LTD. (collectively, the "APPLICANTS")

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SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

Proceedings commenced at **Toronto**

**NOTICE OF OBJECTION AND  
REQUEST FOR ADJOURNMENT**

**THORNTON GROUT FINNIGAN LLP**

Toronto-Dominion Centre  
100 Wellington Street West  
Suite 3200, P.O. Box 329  
Toronto, ON M5K 1K7  
Tel: (416) 304-1616  
Fax: (416) 304-1313

**D.J. Miller** (LSUC# 34393P)  
[djmillertgf.ca](mailto:djmillertgf.ca)

**Kyla E. M. Mahar** (LSUC# 44182G)  
[kmahartgf.ca](mailto:kmahartgf.ca)

# Schedule "A"

D. J. Miller

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**From:** D. J. Miller  
**Sent:** May-11-15 6:27 PM  
**To:** Chadwick, Robert  
**Cc:** Kyla Mahar; 'Descours, Caroline'  
**Subject:** Nelson Education Ltd.  
**Attachments:** Interim Order (Adjournment Terms) (May 12-15).pdf

Rob:

Thanks for your v-mail message.

You've advised that you're attending before Justice Morawetz tomorrow at 8:30 a.m. to commence a CCAA proceeding. Earlier today you provided us with a draft of your client's Application Record on the basis that we could only provide it to RBC, and not to the Second Lien Lenders in respect of which RBC acts as Agent. We have not been served with your client's materials, and would request same (electronically and bound – thank you). Please advise if you have provided His Honour with any materials in advance of your intended appearance tomorrow.

Based on our ability to review what we have received in draft form, and seek limited instructions, we wanted to advise that we will be seeking an adjournment of any hearing tomorrow. We are prepared to discuss a timetable leading to the return of your initial application, and a form of Order that we would be prepared to consent to is attached. If we are able to agree to a timetable leading to the return of the initial application, we are content to have it incorporated into the Order.

Our client expressly reserves all of its rights and remedies.

D.J.



D.J. Miller | [djmiller@tgf.ca](mailto:djmiller@tgf.ca) | Direct Line: 416-304-0559 | Thornton Grout Finnigan LLP | Suite 3200, TD West Tower, 100 Wellington Street West, P.O. Box 329, Toronto-Dominion Centre, Toronto, Ontario M5K 1K7 | Phone: 416-304-1616 | Fax: 416-304-1313 | [www.tgf.ca](http://www.tgf.ca)

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**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
(COMMERCIAL LIST)

THE HONOURABLE REGIONAL )  
SENIOR JUSTICE MORAWETZ )  
)

TUESDAY, THE 12<sup>TH</sup>  
DAY OF MAY, 2015

IN THE MATTER OF THE *COMPANIES' CREDITORS*  
*ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

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AND NELSON EDUCATION HOLDINGS LTD.

(collectively, the "APPLICANTS")

**INTERIM STAY ORDER**  
(Adjournment Terms)

**THIS APPLICATION**, made by the Applicants, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA") has been adjourned after hearing from counsel for the Applicants, the First Lien Steering Committee and the First Lien Agent, the Second Lien Agent and Alvarez & Marsal Canada Inc., in its capacity as the proposed Monitor of the Applicants, to Monday June 1, 2015 on the terms set out in this Order.

**GENERAL**

1. **THIS COURT ORDERS** that this Application, except for the interim relief granted in paragraphs 3 to 5 of this Order, is adjourned to Monday, June 1, 2015.

2. **THIS COURT ORDERS** that this Order is strictly without prejudice to the positions taken or to be taken by all parties and stakeholders on the return of this Application.

#### **NO PROCEEDINGS AGAINST THE APPLICANTS OR THE PROPERTY**

3. **THIS COURT ORDERS** that until and including June 1, 2015, or such later date as this Court may order (the “**Interim Stay Period**”), no proceeding or enforcement process in any court or tribunal (each, a “**Proceeding**”) shall be commenced or continued against or in respect of the Applicants, or affecting the Business or the Property, except with the written consent of the Applicants, or with leave of this Court, and any and all Proceedings currently underway against or in respect of the Applicants or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

#### **NO EXERCISE OF RIGHTS OR REMEDIES**

4. **THIS COURT ORDERS** that, during the Interim Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively, being “**Persons**” and each being a “**Person**”) against or in respect of the Applicants, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Applicants, or leave of this Court, provided that nothing in this Order shall (i) empower the Applicants to carry on any business which the Applicants are not lawfully entitled to carry on, (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

**NO INTERFERENCE WITH RIGHTS**

5. **THIS COURT ORDERS** that, during the Interim Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Applicants, except with the written consent of the Applicants, or leave of this Court.

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Proceedings commenced at **Toronto**

**INTERIM STAY ORDER**  
(MAY 12, 2015)

**GOODMANS LLP**  
Barristers & Solicitors  
333 Bay Street, Suite 3400  
100 Wellington Street West  
Toronto, Canada M5H 2S7

**Robert J. Chadwick** LSUC#: 35165K  
[rchadwick@goodmans.ca](mailto:rchadwick@goodmans.ca)

**Caroline Descours** LSUC#: 58251A  
Tel: (416) 979-2211  
Fax: (416) 979-1234

Lawyers for the Applicants